

## Public Employees' Retirement Board

December 10, 2015

**Topic:** 401(a) and 457(b) mutual fund share Class changes.

At EIAC's request, Buck Consultants completed an analysis of the mutual fund share classes held in the 401(a) and the 457(b) in order to ensure that the Board is offering the best share class value to plan participants.

Based on the review, EIAC supports Buck's recommendation to change the following mutual fund share classes.

Summary of Recommended Changes Plan(s)	Current Share Class	Improved Share Class	Change in Fees	Change in Revenue Sharing	Net Change
457(b) and 401(a) Plans	Vanguard Small Cap Index Adm	Vanguard Small Cap Index Instl	0.09 to 0.08	0.00	1 bps
457(b) and 401(a) Plans	Vanguard Small Cap Growth Index Inv	Vanguard Small Cap Growth Index Instl	0.23 to 0.08	0.00	15 bps
401(a) Plan	American Funds New Perspective A	American Funds New Perspective R6	0.76 to 0.45	0.25	6 bps
457(b) Plan	American Funds New Perspective R4		0.80 to 0.45	0.35	0 bps
401(a) Plan	Vanguard Total Intl Stock Index Inv	Vanguard Total Intl Stock Index Adm	0.22 to 0.14	0.00	8 bps

**Rationale:** Share class change will reduce expenses paid by plan participants for investments made in the listed mutual funds. 457(b) plan participant fees will be reduced by approximately \$13,000 annually and 401(a) plan participant fees will be reduced by approximately \$11,000 annuallycv0307.

**Timeline:** 02/1/2016 – map old mutual funds shares to the new share class

**Recommended Board motion:**

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Move to accept EIAC's recommendation to move forward with the share class changes outlined above on 2/1/2016.

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Recommend \_\_\_\_\_.

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Moved by

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Seconded by

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Vote